

SECOND REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

# HOUSE BILL NO. 1561

98TH GENERAL ASSEMBLY

4757H.02P

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

To repeal section 66.620, RSMo, and to enact in lieu thereof two new sections relating to local sales taxes.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Section 66.620, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 66.620 and 94.860, to read as follows:

66.620. 1. All county sales taxes collected by the director of revenue under sections 66.600 to 66.630 on behalf of any county, less one percent for cost of collection which shall be deposited in the state's general revenue fund after payment of premiums for surety bonds as provided in section 32.087, shall be deposited in a special trust fund, which is hereby created, to be known as the "County Sales Tax Trust Fund". The moneys in the county sales tax trust fund shall not be deemed to be state funds and shall not be commingled with any funds of the state. The director of revenue shall keep accurate records of the amount of money in the trust fund which was collected in each county imposing a county sales tax, and the records shall be open to the inspection of officers of the county and the public. Not later than the tenth day of each month, the director of revenue shall distribute all moneys deposited in the trust fund during the preceding month to the county which levied the tax; such funds shall be deposited with the [county] treasurer of the county and all expenditures of funds arising from the county sales tax trust fund shall be by an appropriation act to be enacted by the legislative council of the county, and to the cities, towns and villages located wholly or partly within the county which levied the tax in the manner as set forth in sections 66.600 to 66.630.

2. In any county not adopting an additional sales tax and alternate distribution system as provided in section 67.581, for the purposes of distributing the county sales tax, the county

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 shall be divided into two groups, "Group A" and "Group B". Group A shall consist of all cities,  
19 towns and villages which are located wholly or partly within the county which levied the tax and  
20 which had a city sales tax in effect under the provisions of sections 94.500 to 94.550 on the day  
21 prior to the adoption of the county sales tax ordinance, except that beginning January 1, 1980,  
22 group A shall consist of all cities, towns and villages which are located wholly or partly within  
23 the county which levied the tax and which had a city sales tax approved by the voters of such city  
24 under the provisions of sections 94.500 to 94.550 on the day prior to the effective date of the  
25 county sales tax. For the purposes of determining the location of consummation of sales for  
26 distribution of funds to cities, towns and villages in group A, the boundaries of any such city,  
27 town or village shall be the boundary of that city, town or village as it existed on March 19,  
28 1984. Group B shall consist of all cities, towns and villages which are located wholly or partly  
29 within the county which levied the tax and which did not have a city sales tax in effect under the  
30 provisions of sections 94.500 to 94.550 on the day prior to the adoption of the county sales tax  
31 ordinance, and shall also include all unincorporated areas of the county which levied the tax;  
32 except that, beginning January 1, 1980, group B shall consist of all cities, towns and villages  
33 which are located wholly or partly within the county which levied the tax and which did not have  
34 a city sales tax approved by the voters of such city under the provisions of sections 94.500 to  
35 94.550 on the day prior to the effective date of the county sales tax and shall also include all  
36 unincorporated areas of the county which levied the tax.

37 3. Until January 1, 1994, the director of revenue shall distribute to the cities, towns and  
38 villages in group A the taxes based on the location in which the sales were deemed consummated  
39 under section 66.630 and subsection 12 of section 32.087. Except for distribution governed by  
40 section 66.630, after deducting the distribution to the cities, towns and villages in group A, the  
41 director of revenue shall distribute the remaining funds in the county sales tax trust fund to the  
42 cities, towns and villages and the county in group B as follows: To the county which levied the  
43 tax, a percentage of the distributable revenue equal to the percentage ratio that the population of  
44 the unincorporated areas of the county bears to the total population of group B; and to each city,  
45 town or village in group B located wholly within the taxing county, a percentage of the  
46 distributable revenue equal to the percentage ratio that the population of such city, town or  
47 village bears to the total population of group B; and to each city, town or village located partly  
48 within the taxing county, a percentage of the distributable revenue equal to the percentage ratio  
49 that the population of that part of the city, town or village located within the taxing county bears  
50 to the total population of group B.

51 4. From [and after] January 1, 1994, **until December 31, 2016**, the director of revenue  
52 shall distribute to the cities, towns and villages in group A a portion of the taxes based on the  
53 location in which the sales were deemed consummated under section 66.630 and subsection 12

54 of section 32.087 in accordance with the formula described in this subsection **and in subsection**  
55 **6.** After deducting the distribution to the cities, towns and villages in group A, the director of  
56 revenue shall distribute funds in the county sales tax trust fund to the cities, towns and villages  
57 and the county in group B as follows: To the county which levied the tax, ten percent multiplied  
58 by the percentage of the population of unincorporated county which has been annexed or  
59 incorporated since April 1, 1993, multiplied by the total of all sales tax revenues countywide, and  
60 a percentage of the remaining distributable revenue equal to the percentage ratio that the  
61 population of unincorporated areas of the county bears to the total population of group B; and  
62 to each city, town or village in group B located wholly within the taxing county, a percentage of  
63 the remaining distributable revenue equal to the percentage ratio that the population of such city,  
64 town or village bears to the total population of group B; and to each city, town or village located  
65 partly within the taxing county, a percentage of the remaining distributable revenue equal to the  
66 percentage ratio that the population of that part of the city, town or village located within the  
67 taxing county bears to the total population of group B.

68 **5. (1) From and after January 1, 2017, in each year in which the total revenues from**  
69 **the county sales tax collected under sections 66.600 to 66.630 in the previous calendar year**  
70 **is less than or equal to the amount of such revenues which were collected in the calendar**  
71 **year 2014, the director of revenue shall distribute to the cities, towns, and villages in group**  
72 **A and the cities, towns, and villages, and the county in group B, the amounts required to**  
73 **be distributed under the formula described in subsection 4 and in subsection 6 of this**  
74 **section. From and after January 1, 2017, in each year in which the total revenues from the**  
75 **county sales tax collected under sections 66.600 to 66.630 in the previous calendar year is**  
76 **greater than the amount of such revenues which were collected in the calendar year 2014,**  
77 **the director of revenue shall distribute to the cities, towns, and villages in group A a**  
78 **portion of the taxes based on the location in which the sales were deemed consummated**  
79 **under section 66.630 and subsection 12 of section 32.087, in accordance with the formula**  
80 **described in this subsection and in subsection 6. After deducting the distribution to the**  
81 **cities, towns, and villages in group A, the director of revenue shall, subject to the limitation**  
82 **described in subdivision (2) of this subsection, distribute funds in the county sales tax trust**  
83 **fund to the cities, towns, and villages, and the county in group B as follows: to the county**  
84 **which levied the tax, ten percent multiplied by the percentage of the population of**  
85 **unincorporated county which has been annexed or incorporated since April 1, 1993,**  
86 **multiplied by the total of all sales tax revenues countywide, and a percentage of the**  
87 **remaining distributable revenue equal to the percentage ratio that the population of**  
88 **unincorporated areas of the county bears to the total population of group B as adjusted**  
89 **such that no city, town, or village in group B shall receive a distribution that is less than**

100 fifty percent of the amount of taxes generated within such city, town, or village based on  
101 the location in which the sales were deemed consummated under section 66.630 and  
102 subsection 12 of section 32.087; and to each city, town, or village in group B located wholly  
103 within the taxing county, a percentage of the remaining distributable revenue equal to the  
104 percentage ratio that the population of such city, town, or village bears to the total  
105 population of group B, as adjusted such that no city, town, or village in group B shall  
106 receive a distribution that is less than fifty percent of the amount of taxes generated within  
107 such city, town, or village based on the location in which the sales were deemed  
108 consummated under section 66.630 and subsection 12 of section 32.087; and to each city,  
109 town, or village located partly within the taxing county, a percentage of the remaining  
110 distributable revenue equal to the percentage ratio that the population of that part of the  
111 city, town, or village located within the taxing county bears to the total population of group  
112 B, as adjusted such that no city, town, or village in group B shall receive a distribution that  
113 is less than fifty percent of the amount of taxes generated within such city, town, or village  
114 based on the location in which the sales were deemed consummated under section 66.630  
115 and subsection 12 of section 32.087.

116 (2) For purposes of making any adjustment required by this subsection, the  
117 director of revenue shall, prior to any distribution to the county or to each city, town, or  
118 village in group B located wholly or partly within the taxing county, identify each city,  
119 town, or village in group B located wholly or partly within the taxing county that would  
120 receive a distribution that is less than fifty percent of the amount of taxes generated within  
121 such city, town, or village based on the location in which the sales were deemed  
122 consummated under section 66.630 and subsection 12 of section 32.087 if no adjustments  
123 were made and calculate the difference between the amount that the distribution to each  
124 such city, town, or village would have been without any adjustment and the amount that  
125 equals fifty percent of the amount of taxes generated within such city, town, or village  
126 based on the location in which the sales were deemed consummated under section 66.630  
127 and subsection 12 of section 32.087. Thereafter, the director of revenue shall determine the  
128 amount of any adjustment under this subsection as follows:

129 (a) If the aggregate amount of the difference calculated in accordance with this  
130 subsection is less than or equal to the aggregate increase in the remaining distributable  
131 revenue for the applicable period in the current calendar year over the remaining  
132 distributable revenue for the corresponding period in the calendar year 2014, the director  
133 of revenue shall deduct the amount of such difference from the remaining distributable  
134 revenue and distribute an allocable portion of the amount of such difference to each city,  
135 town, or village that would otherwise have received a distribution that is less than fifty

percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087 if no adjustment were made, such that each such city, town, or village receives a distribution that is equal to fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087;

(b) If, however, the aggregate amount of the difference calculated in accordance with this subsection is greater than the aggregate increase in the remaining distributable revenue for the applicable period in the current calendar year over the remaining distributable revenue for the corresponding period in the calendar year 2014, the director of revenue shall deduct from the remaining distributable revenue an amount equal to the difference between the remaining distributable revenue for the applicable period in the current calendar year and the remaining distributable revenue for the corresponding period in the calendar year 2014 and distribute an allocable portion of the amount of such difference to each city, town, or village that would otherwise have received a distribution that is less than fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087 if no adjustment were made, such that each such city, town, or village receives a distribution that includes an adjustment that is proportionate to the amount of the adjustment that would otherwise have been made if such adjustment were calculated in accordance with paragraph (a) of this subsection;

(c) After determining the amount of the adjustment and making the allocation in accordance with paragraph (a) or (b) of this subsection, as applicable, the director of revenue shall thereafter distribute the remaining distributable revenue, as adjusted, to the county and to each city, town, or village in group B located wholly or partly within the taxing county in the manner provided in this subsection.

(3) For purposes of this subsection, if a city, town, or village is partly in group A and partly in group B, the director of revenue shall calculate fifty percent of the amount of taxes generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087 by multiplying fifty percent by the amount of all county sales taxes collected by the director of revenue under sections 66.600 to 66.630, less one percent for cost of collection, that are generated within such city, town, or village based on the location in which the sales were deemed consummated under section 66.630 and subsection 12 of section 32.087, regardless of whether such taxes are deemed consummated in group A or group B.

161           **6. (1)** For purposes of administering the distribution formula of [subsection] **subsections**  
162 **4 and 5** of this section, the revenues arising each year from sales occurring within each group  
163 A city, town or village shall be distributed as follows: Until such revenues reach the adjusted  
164 county average, as hereinafter defined, there shall be distributed to the city, town or village all  
165 of such revenues reduced by the percentage which is equal to ten percent multiplied by the  
166 percentage of the population of unincorporated county which has been annexed or incorporated  
167 after April 1, 1993; and once revenues exceed the adjusted county average, total revenues shall  
168 be shared in accordance with the redistribution formula as defined in this subsection.

169           **(2)** For purposes of this subsection, the "adjusted county average" is the per capita  
170 countywide average of all sales tax distributions during the prior calendar year reduced by the  
171 percentage which is equal to ten percent multiplied by the percentage of the population of  
172 unincorporated county which has been annexed or incorporated after April 1, 1993; the  
173 "redistribution formula" is as follows: During 1994, each group A city, town and village shall  
174 receive that portion of the revenues arising from sales occurring within the municipality that  
175 remains after deducting therefrom an amount equal to the cumulative sales tax revenues arising  
176 from sales within the municipality multiplied by the percentage which is the sum of ten percent  
177 multiplied by the percentage of the population of unincorporated county which has been annexed  
178 or incorporated after April 1, 1993, and the percentage, if greater than zero, equal to the product  
179 of 8.5 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the total of  
180 cumulative per capita sales taxes arising from sales within the municipality less the adjusted  
181 county average. During 1995, each group A city, town and village shall receive that portion of  
182 the revenues arising from sales occurring within the municipality that remains after deducting  
183 therefrom an amount equal to the cumulative sales tax revenues arising from sales within the  
184 municipality multiplied by the percentage which is the sum of ten percent multiplied by the  
185 percentage of the population of unincorporated county which has been annexed or incorporated  
186 after April 1, 1993, and the percentage, if greater than zero, equal to the product of seventeen  
187 multiplied by the logarithm (to base 10) of the product of 0.035 multiplied by the total of  
188 cumulative per capita sales taxes arising from sales within the municipality less the adjusted  
189 county average. From January 1, 1996, until January 1, 2000, each group A city, town and  
190 village shall receive that portion of the revenues arising from sales occurring within the  
191 municipality that remains after deducting therefrom an amount equal to the cumulative sales tax  
192 revenues arising from sales within the municipality multiplied by the percentage which is the  
193 sum of ten percent multiplied by the percentage of the population of unincorporated county  
194 which has been annexed or incorporated after April 1, 1993, and the percentage, if greater than  
195 zero, equal to the product of 25.5 multiplied by the logarithm (to base 10) of the product of 0.035  
196 multiplied by the total of cumulative per capita sales taxes arising from sales within the

197 municipality less the adjusted county average. From and after January 1, 2000, the distribution  
198 formula covering the period from January 1, 1996, until January 1, 2000, shall continue to apply,  
199 except that the percentage computed for sales arising within the municipalities shall be not less  
200 than 7.5 percent for municipalities within which sales tax revenues exceed the adjusted county  
201 average, nor less than 12.5 percent for municipalities within which sales tax revenues exceed the  
202 adjusted county average by at least twenty-five percent.

203 (3) For purposes of applying the redistribution formula to a municipality which is partly  
204 within the county levying the tax, the distribution shall be calculated alternately for the  
205 municipality as a whole, except that the factor for annexed portion of the county shall not be  
206 applied to the portion of the municipality which is not within the county levying the tax, and for  
207 the portion of the municipality within the county levying the tax. Whichever calculation results  
208 in the larger distribution to the municipality shall be used.

209 (4) Notwithstanding any other provision of this section, the fifty percent of additional  
210 sales taxes as described in section 99.845 arising from economic activities within the area of a  
211 redevelopment project established after July 12, 1990, pursuant to sections 99.800 to 99.865,  
212 while tax increment financing remains in effect shall be deducted from all calculations of  
213 countywide sales taxes, shall be distributed directly to the municipality involved, and shall be  
214 disregarded in calculating the amounts distributed or distributable to the municipality. Further,  
215 any agreement, contract or covenant entered into prior to July 12, 1990, between a municipality  
216 and any other political subdivision which provides for an appropriation of incremental sales tax  
217 revenues to the special allocation fund of a tax increment financing project while tax increment  
218 financing remains in effect shall continue to be in full force and effect and the sales taxes so  
219 appropriated shall be deducted from all calculations of countywide sales taxes, shall be  
220 distributed directly to the municipality involved, and shall be disregarded in calculating the  
221 amounts distributed or distributable to the municipality. In addition, and notwithstanding any  
222 other provision of this chapter to the contrary, economic development funds shall be distributed  
223 in full to the municipality in which the sales producing them were deemed consummated.  
224 Additionally, economic development funds shall be deducted from all calculations of countywide  
225 sales taxes and shall be disregarded in calculating the amounts distributed or distributable to the  
226 municipality. As used in this subdivision, the term "economic development funds" means the  
227 amount of sales tax revenue generated in any fiscal year by projects authorized pursuant to  
228 chapter 99 or chapter 100 in connection with which such sales tax revenue was pledged as  
229 security for, or was guaranteed by a developer to be sufficient to pay, outstanding obligations  
230 under any agreement authorized by chapter 100, entered into or adopted prior to September 1,  
231 1993, between a municipality and another public body. The cumulative amount of economic

232 development funds allowed under this provision shall not exceed the total amount necessary to  
233 amortize the obligations involved.

234 [6.] 7. If the qualified voters of any city, town or village vote to change or alter its  
235 boundaries by annexing any unincorporated territory included in group B or if the qualified  
236 voters of one or more city, town or village in group A and the qualified voters of one or more  
237 city, town or village in group B vote to consolidate, the area annexed or the area consolidated  
238 which had been a part of group B shall remain a part of group B after annexation or  
239 consolidation. After the effective date of the annexation or consolidation, the annexing or  
240 consolidated city, town or village shall receive a percentage of the group B distributable revenue  
241 equal to the percentage ratio that the population of the annexed or consolidated area bears to the  
242 total population of group B and such annexed area shall not be classified as unincorporated area  
243 for determination of the percentage allocable to the county. If the qualified voters of any two or  
244 more cities, towns or villages in group A each vote to consolidate such cities, towns or villages,  
245 then such consolidated cities, towns or villages shall remain a part of group A. For the purpose  
246 of sections 66.600 to 66.630, population shall be as determined by the last federal decennial  
247 census or the latest census that determines the total population of the county and all political  
248 subdivisions therein. For the purpose of calculating the adjustment based on the percentage of  
249 unincorporated county population which is annexed after April 1, 1993, the accumulated  
250 percentage immediately before each census shall be used as the new percentage base after such  
251 census. After any annexation, incorporation or other municipal boundary change affecting the  
252 unincorporated area of the county, the chief elected official of the county shall certify the new  
253 population of the unincorporated area of the county and the percentage of the population which  
254 has been annexed or incorporated since April 1, 1993, to the director of revenue. After the  
255 adoption of the county sales tax ordinance, any city, town or village in group A may by adoption  
256 of an ordinance by its governing body cease to be a part of group A and become a part of group  
257 B. Within ten days after the adoption of the ordinance transferring the city, town or village from  
258 one group to the other, the clerk of the transferring city, town or village shall forward to the  
259 director of revenue, by registered mail, a certified copy of the ordinance. Distribution to such  
260 city as a part of its former group shall cease and as a part of its new group shall begin on the first  
261 day of January of the year following notification to the director of revenue, provided such  
262 notification is received by the director of revenue on or before the first day of July of the year in  
263 which the transferring ordinance is adopted. If such notification is received by the director of  
264 revenue after the first day of July of the year in which the transferring ordinance is adopted, then  
265 distribution to such city as a part of its former group shall cease and as a part of its new group  
266 shall begin the first day of July of the year following such notification to the director of revenue.



267 Once a group A city, town or village becomes a part of group B, such city may not transfer back  
268 to group A.

269 [7.] 8. If any city, town or village shall hereafter change or alter its boundaries, the city  
270 clerk of the municipality shall forward to the director of revenue, by registered mail, a certified  
271 copy of the ordinance adding or detaching territory from the municipality. The ordinance shall  
272 reflect the effective date thereof, and shall be accompanied by a map of the municipality clearly  
273 showing the territory added thereto or detached therefrom. Upon receipt of the ordinance and  
274 map, the tax imposed by sections 66.600 to 66.630 shall be redistributed and allocated in  
275 accordance with the provisions of this section on the effective date of the change of the  
276 municipal boundary so that the proper percentage of group B distributable revenue is allocated  
277 to the municipality in proportion to any annexed territory. If any area of the unincorporated  
278 county elects to incorporate subsequent to the effective date of the county sales tax as set forth  
279 in sections 66.600 to 66.630, the newly incorporated municipality shall remain a part of group  
280 B. The city clerk of such newly incorporated municipality shall forward to the director of  
281 revenue, by registered mail, a certified copy of the incorporation election returns and a map of  
282 the municipality clearly showing the boundaries thereof. The certified copy of the incorporation  
283 election returns shall reflect the effective date of the incorporation. Upon receipt of the  
284 incorporation election returns and map, the tax imposed by sections 66.600 to 66.630 shall be  
285 distributed and allocated in accordance with the provisions of this section on the effective date  
286 of the incorporation.

287 [8.] 9. The director of revenue may authorize the state treasurer to make refunds from  
288 the amounts in the trust fund and credited to any county for erroneous payments and  
289 overpayments made, and may redeem dishonored checks and drafts deposited to the credit of  
290 such counties. If any county abolishes the tax, the county shall notify the director of revenue of  
291 the action at least ninety days prior to the effective date of the repeal and the director of revenue  
292 may order retention in the trust fund, for a period of one year, of two percent of the amount  
293 collected after receipt of such notice to cover possible refunds or overpayment of the tax and to  
294 redeem dishonored checks and drafts deposited to the credit of such accounts. After one year  
295 has elapsed after the effective date of abolition of the tax in such county, the director of revenue  
296 shall remit the balance in the account to the county and close the account of that county. The  
297 director of revenue shall notify each county of each instance of any amount refunded or any  
298 check redeemed from receipts due the county.

299 [9.] 10. Except as modified in sections 66.600 to 66.630, all provisions of sections  
300 32.085 and 32.087 shall apply to the tax imposed under sections 66.600 to 66.630.

2 **94.860. 1. Notwithstanding the provisions of subsection 1 of section 67.582, the governing body of a charter county with a population of nine hundred fifty thousand or**

3 more is authorized to impose by ordinance a sales tax in the amount of up to one-half of  
4 one percent on all retail sales made in the part of the county outside of incorporated cities,  
5 towns, and villages which are subject to taxation pursuant to sections 144.010 to 144.525  
6 for the purpose of providing law enforcement services to such county. The tax authorized  
7 by this section shall be in addition to any and all other sales taxes allowed by law, except  
8 that no ordinance imposing a sales tax pursuant to this section shall be effective unless the  
9 governing body of the county submits to the voters residing in the part of the county  
10 outside of incorporated cities, towns, and villages, at a county or state general, primary,  
11 or special election, a proposal to authorize the governing body of the county to impose a  
12 tax.

13 2. The ballot submission for the proposal to authorize imposition of the tax  
14 authorized by this section shall contain substantially the following language:

15 Shall ..... (insert the name of the charter county) impose a sales tax of  
16 ..... (insert sales tax amount) in the part of ..... (insert the name of the charter  
17 county) outside of incorporated cities, towns, and villages for the purpose of providing law  
18 enforcement services for the county?

19 ☐ YES

☐ NO

20 If you are in favor of the question, place an "X" in the box opposite "YES". If you are  
21 opposed to the question, place an "X" in the box opposite "NO".

22

23 If a majority of the votes cast on the proposal by the qualified voters voting thereon are in  
24 favor of the proposal submitted pursuant to this subsection, then the ordinance and any  
25 amendments thereto shall be in effect on the first day of the second quarter immediately  
26 following the election approving the proposal. If a proposal receives less than the required  
27 majority, then the governing body of the county shall have no power to impose the sales  
28 tax herein authorized unless and until the governing body of the county shall again have  
29 submitted another proposal to authorize the governing body of the county to impose the  
30 sales tax authorized by this section and such proposal is approved by the required majority  
31 of the qualified voters voting thereon. However, in no event shall a proposal pursuant to  
32 this section be submitted sooner than thirty-six months from the date of the last proposal  
33 pursuant to this section. If a majority of the voters fail to approve such proposal the  
34 second time offered, then the governing body of the county shall have no power to impose  
35 the sales tax authorized by this section or submit such proposal to the qualified voters a  
36 third time.

37 3. The revenue received by a county treasurer from the tax authorized under the  
38 provisions of this section shall be deposited in a special trust fund and used solely for

39 providing law enforcement services in the part of the county outside of incorporated cities,  
40 towns, and villages, for so long as the tax shall remain in effect. Revenue placed in the  
41 special trust fund may also be utilized for capital improvement projects for law  
42 enforcement facilities serving the part of the county outside of incorporated cities, towns,  
43 and villages. Any funds in such special trust fund which are not needed for current  
44 expenditures may be invested by the governing body in accordance with applicable laws  
45 relating to the investment of other county funds.

46 4. The sales taxes collected by the director of revenue pursuant to this section on  
47 behalf of a charter county with a population of nine hundred fifty thousand or more shall  
48 be deposited in the "County Law Enforcement Sales Tax Trust Fund" created by  
49 subsection 5 of section 67.582, less one percent for cost of collection which shall be  
50 deposited in the state's general revenue fund after payment of premiums for surety bonds  
51 as provided in section 32.087. The moneys in the trust fund shall not be deemed to be state  
52 funds and shall not be commingled with any funds of the state. The director of revenue  
53 shall keep accurate records of the amount of money in the trusts and which were collected  
54 in each county imposing a sales tax under this section, and the records shall be open to the  
55 inspection of the officers of the county and the public. Not later than the tenth day of each  
56 month the director of revenue shall distribute all moneys deposited in the trust fund during  
57 each month to the county which levied the tax; such funds shall be deposited with the  
58 county treasurer of each such county, and all expenditures of funds arising from the tax  
59 authorized by this section shall be by an appropriation act to be enacted by the governing  
60 body of each such county. Expenditures may be made from the funds for any functions  
61 authorized in the ordinance adopted by the governing body submitting the tax to the  
62 voters.

63 5. The director of revenue may authorize the state treasurer to make refunds from  
64 the amounts in the trust fund and credited to any county for erroneous payments and  
65 overpayments made, and may redeem dishonored checks and drafts deposited to the credit  
66 of such counties. If any county abolishes the tax, the county shall notify the director of  
67 revenue of the action at least ninety days before the effective date of the repeal and the  
68 director of revenue may order retention in the appropriate trust fund, for a period of one  
69 year, or two percent of the amount collected after receipt of such notice to cover possible  
70 refunds and overpayments of the tax and to redeem dishonored checks and drafts  
71 deposited to the credit of such accounts. After one year has elapsed after the abolition of  
72 the tax in such county, the director of revenue shall remit the balance in the account to the  
73 county and close the accounts of that county established pursuant to this section. The

74 **director of revenue shall notify each county of each instance of any amount refunded or**  
75 **any check redeemed from the receipts due to the county.**

76 **6. Except as modified in this section, all provisions of sections 32.085 and 32.087**  
77 **shall apply to the tax imposed pursuant to this section.**

✓